



DEPARTMENT OF THE NAVY
BUREAU OF MEDICINE AND SURGERY
2300 E STREET NW
WASHINGTON DC 20372-5300

Canc frp: Feb 2001
IN REPLY REFER TO
BUMEDNOTE 7130
BUMED-13/04
4 Feb 2000

BUMED NOTICE 7130

From: Chief, Bureau of Medicine and Surgery

Subj: PROCEDURES GOVERNING THE BUDGETING AND PROCUREMENT OF
OPERATION AND MAINTENANCE, DEFENSE HEALTH PROGRAM (O&M,
DHP) MEDICAL AND DENTAL EXPENSE EQUIPMENT

Ref: (a) BUMED Equipment Management Manual (NAVMED P-5132)

1. Purpose. To issue guidance concerning the budgeting and procurement of the Navy's portion of the annual O&M, DHP budget for medical and dental expense equipment (\$25,000 - \$99,999 vendor list or Federal Supply Schedule price).

2. Background. The policy for the budgeting and acquisition of O&M, DHP expense equipment has been managed and executed at the activity level per reference (a). Reference (a) is available at: <http://www.vnh.org/Admin/P-5132/Contents.html>. This policy excludes specialty leaders from the procurement process, does not promote standardization, and has resulted in missed opportunities for cost savings through consolidated procurements. In addition, procurement authority realignment and equipment maintenance regionalization efforts necessitate this policy be updated.

3. Discussion. To take full advantage of these opportunities and comply with current best business practices, procurement of expense equipment will be centralized at the Naval Medical Logistics Command (NAVMEDLOGCOM). This initiative will be incrementally phased in over 3 fiscal years. The responsibility to budget for and fund expense equipment will remain at the activity level.

4. Action

a. MTFS and DTFs will:

(1) Develop prioritized expense equipment packages using Annex 4 of reference (a).

(a) Create equipment control numbers as follows: The first two positions will be the fiscal year when first budgeted.

BUMEDNOTE 7130
4 Feb 2000

The third position will always be the letter "M" to identify O&M funds. The remaining three positions will be assigned by the activity, i.e., 00M001.

(b) Submit completed packages to NAVMEDLOGCOM, Attn: Code 03, 521 Fraim Street, Fort Detrick, MD 21702-5015.

(2) Starting with FY 01, develop a 3-year expense equipment replacement plan per Annex 10 of reference (a).

(3) Submission dates are as follows:

(a) FY 00 - Expense equipment packages costing \$75,000 - \$99,999 are due by 15 February 2000.

(b) FY 01 - Expense equipment packages costing \$50,000 - \$99,999 are due by 1 May 2000.

(c) FY 02 - Expense equipment packages costing \$25,000 - \$99,999 are due by 1 May 2001 and annually thereafter.

(d) All 3-year expense equipment replacement plans, starting with FY 01, are due by 1 July 2001 and annually thereafter.

(e) Emergent requests may be submitted at any time.

(4) When funds are deemed available, submit the appropriate funding documents to NAVMEDLOGCOM, Code 03 for procurement. An expense equipment package must be included, if not previously submitted.

(5) Budget for and locally procure medical and dental equipment outside the limits of this policy. Non-medical and dental equipment and information management/information technology equipment that is not an integral part of medical and dental equipment is also excluded.

(6) Not procure expense equipment items without NAVMEDLOGCOM engineering review or specialty leader approval.

b. NAVMEDLOGCOM will:

(1) Coordinate clinical engineering review and specialty leader approval.

(2) Implement a 3-year procurement phasing plan as follows:

(a) FY 00 - Coordinate acquisition of all medical and dental expense equipment costing \$75,000 - \$99,999.

(b) FY 01 - Coordinate acquisition of all medical and dental expense equipment costing \$50,000 - \$99,999.

(c) FY 02 and subsequent years - Coordinate acquisition of all medical and dental expense equipment costing \$25,000 - \$99,999.

(3) Use activities' expense equipment requirements to:

(a) Optimize standardization of equipment.

(b) Obtain volume discounts.

(4) Maintain an expense equipment web site to:

(a) Provide expense equipment status reports to commands.

(b) Post consolidation and standardization efforts.

(c) Report procurement action lead time for all requests.

(5) Develop and submit the annual expense equipment budget to the Bureau of Medicine and Surgery, Assistant Chief for Resource Management/Comptroller (MED-01), 2300 E Street, NW, Washington, DC 20372-5300.

(6) Change reference (a) to reflect this new business practice.

5. For assistance regarding implementation of this policy, contact the NAVMEDLOGCOM Equipment Support Department at (301) 619-3062 or DSN 343-3062.

6. Cancellation Contingency. Retain until incorporated into reference (a).


S. T. FISHER
Deputy

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BUMEDNOTE 7130

4 Feb 2000

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